

**TENNESSEE GENERAL ASSEMBLY
FISCAL REVIEW COMMITTEE**



FISCAL NOTE

HB 2338 - SB 2292

March 4, 2018

SUMMARY OF BILL: Deletes certain training requirements established by Public Chapter 118 of 2017 for certain municipal utility board commissioners.

ESTIMATED FISCAL IMPACT:

Decrease Local Expenditures – \$12,500/Permissive

Assumptions:

- Public Chapter 118 required all commissioners of municipal utility systems to attend a total of 24 hours of training and continuing education every four years; 12 hours during the first year of their term and 12 hours over the course of the succeeding three years.
- The proposed language would remove commissioners of municipal utility systems which supervise, control, or operate a public water or public sewer system from such minimum training and continuing education requirements.
- While it is unknown how many boards will be impacted, it is reasonably estimated that 50 boards with five commissioners per board, or 250 commissioners (50 boards x 5 commissioners), will no longer be required to attend training.
- Pursuant to Public Chapter 118, entities wishing to provide training to the commissioners were required to submit a copy of the proposed curriculum to the Comptroller of the Treasury (COT) for approval.
- The Tennessee Association of Utility Districts (TAUD) currently provides training to utility districts at a rate of \$100 per person per year. It is reasonable to assume that TAUD and similar organizations were approved by the COT to provide training to municipal utility boards and that training for municipal utility board commissioners is comparable in cost to training currently provided to utility district members.
- Approximately 50 percent of municipal utility board commissioners would have attended the required training through an entity such as TAUD, and would have done so in lieu of free training provided by the COT.
- Deleting the required training will result in a permissive recurring decrease in local government expenditures of \$12,500 [(250 commissioners x 50.0%) x \$100 per commissioner].
- The net impact to TAUD or similar organizations relative to any decrease in revenue will be met with a corresponding decrease in expenditures for training materials no longer required; therefore any impact is considered not significant.

- Any fiscal impact to the COT is estimated to be not significant.

IMPACT TO COMMERCE:

NOT SIGNIFICANT

Assumptions:

- Any decrease in revenue received by private entities for providing training to municipal utility board commissioners will be met with a corresponding decrease in expenditures for training materials no longer required; therefore any impact is considered not significant.
- Any impact on jobs in Tennessee is considered not significant.

CERTIFICATION:

The information contained herein is true and correct to the best of my knowledge.

A handwritten signature in blue ink that reads "Krista M. Lee".

Krista M. Lee, Executive Director

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